

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3545-03
Bill No.: Perfected HCS for HB 1316
Subject: Property, Real and Personal; County Officials; Counties
Type: Original
Date: April 20, 2010

Bill Summary: Would change the required notice assessors must provide to property owners, when the assessed valuation is increased.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|----------------------------------|----------------------------------|----------------------------------|
| FUND AFFECTED | FY 2011 | FY 2012 | FY 2013 |
| General Revenue | (More than \$100,000) | (More than \$100,000) | (More than \$100,000) |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | (More than \$100,000) | (More than \$100,000) | (More than \$100,000) |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2011 | FY 2012 | FY 2013 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>Other</u> State Funds | \$0 | \$0 | \$0 |

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|--|------------|------------|------------|
| FUND AFFECTED | FY 2011 | FY 2012 | FY 2013 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------|----------|----------|
| FUND AFFECTED | FY 2011 | FY 2012 | FY 2013 |
| | | | |
| | | | |
| Total Estimated Net Effect on FTE | 0 | 0 | 0 |

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|------------------------------|------------------------------|------------------------------|
| FUND AFFECTED | FY 2011 | FY 2012 | FY 2013 |
| Local Government | (More than \$100,000) | (More than \$100,000) | (More than \$100,000) |

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue** assume this proposal would have no fiscal impact on their organization.

Officials from the **State Tax Commission** (TAX) assume there would be no fiscal impact to their organization. TAX officials also assume there would be a potential for cost savings to local governments which would not be required to provide the current mandatory tax liability notice.

TAX officials stated the total cost of software to provide the proposed notice has been estimated at \$1.1 million and they had submitted a budget request for \$100,00 for a business analysis of that cost. A similar budget request has been denied the past two budget cycles.

Officials from **Cass County** assume there would be some administrative costs in implementing this proposal, and the proposed requirements would impact the Assessor's budget. Cass County officials assume the impact is unknown.

Officials from **St. Louis County** provided an estimate of the cost to provide the notice that would be required if the proposal is enacted and the software is provided by the State Tax Commission.

| | Envelopes | Postage | Printing | Mailing | Total |
|---------|-----------|-----------|----------|----------|-----------|
| FY 2011 | \$6,000 | \$134,808 | \$19,755 | \$9,650 | \$170,213 |
| FY 2012 | \$6,000 | \$134,808 | \$19,755 | \$9,650 | \$170,213 |
| FY 2013 | \$6,000 | \$134,808 | \$19,755 | \$9,650 | \$170,213 |
| Total | \$18,000 | \$404,424 | \$59,265 | \$28,950 | \$510,639 |

Oversight received no other responses for this proposal. Oversight assumes the State Tax Commission and St. Louis County responses indicate the significance of the potential cost of this proposal and, accordingly, Oversight will indicate a cost in excess of \$100,000 for the General Revenue Fund and for local governments.

| <u>FISCAL IMPACT - State Government</u> | FY 2011 (10 Mo.) | FY 2012 | FY 2013 |
|---|---|---|---|
| GENERAL REVENUE FUND | | | |
| <u>Cost - State Tax Commission</u> | | | |
| Software and/or Consulting cost | <u>(More than \$100,000)</u> | <u>(More than \$100,000)</u> | <u>(More than \$100,000)</u> |
| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | <u>(More than \$100,000)</u> | <u>(More than \$100,000)</u> | <u>(More than \$100,000)</u> |

| <u>FISCAL IMPACT - Local Government</u> | FY 2011 (10 Mo.) | FY 2012 | FY 2013 |
|--|---|---|---|
| LOCAL GOVERNMENTS | | | |
| <u>Cost - Notice production and mailing</u> | | | |
| | <u>(More than \$100,000)</u> | <u>(More than \$100,000)</u> | <u>(More than \$100,000)</u> |
| ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS | <u>(More than \$100,000)</u> | <u>(More than \$100,000)</u> | <u>(More than \$100,000)</u> |

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

The proposed legislation would change the required notice assessors must provide to property owners, when the assessed valuation is increased.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Department of Revenue
State Tax Commission
Cass County
St. Louis County

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
April 20, 2010